Appendix H

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE APPLICATION OF SES GLOUCESTER COMPANY, L.P., FOR (1) APPROVAL OF A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY, (2) A FRANCHISE, (3) AN INITIAL TARIFF, AND (4) THE ISSUANCE OF DEBT AND EQUITY	*INTERIM DECISION AND ORDER*

BY THE BOARD:

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10. *Miscellaneous Revenue Requirement Issues*

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. . . Accordingly, to assure that the tipping fee to be charged when the facility opens is based as much as possible on actual costs or up-to-date projections, there shall be utilized the Board approved costs in the "true-up" proceeding along with the rate of return and return on equity approved herein and the same methods of calculation and parameters as used herein, in order to develop the tipping fee actually to be charged when the facility opens. This tipping fee will then be adjusted annually at 100% of the Producer Price Index for finished goods in conformance with the proposal in SES Gloucester's current filing.

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The Board, having reviewed the Amended Petition and being satisfied that SES Gloucester is both willing and able to provide solid waste disposal services in Gloucester County, *HEREBY ORDERS*:

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3. That the preliminary initial tariff tipping fee rate of $44.95 per ton, based on the Amended Petition, is approved as juts and reasonable at this time, with the proviso that no less than three (3) months prior to the anticipated initial date of receipt of the franchise waste for shakedown of the resource recovery facility, SES Gloucester will file with the Board the final calculations of its currently projected costs, which final calculations, to the extent found reasonable, shall be utilized under the formula approved in the *Generic Order* and provided in the SES Gloucester filing herein, in computing the initial tariff which shall become the basis of its charges to the facility, to be adjusted annually in accordance with 100% of the Producer Price Index or by further order of the Board;

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DATED:
October 21, 1987.

BOARD OF PUBLIC UTILITIES
BY:

s/s George H. Barbour
GEORGE H. BARBOUR
COMMISSIONER

s/s Robert N. Guido
ROBERT N. GUIDO
COMMISSIONER

I abstain from voting on this matter.

s/s Barbara A. Curran
BARBARA A. CURRAN
PRESIDENT

ATTEST:

Ida Marie Englehardt
IDA MARIE ENGLEHARDT
ACTING SECRETARY

APPENDIX I

Appendix I

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE APPLICATION OF THE PASSAIC COUNTY UTILITIES AUTHORITY FOR THE APPROVAL OF SOLID WASTE DISPOSAL CONTRACTS	))))))	*ORDER OF APPROVAL* BPU DOCKET NO. SO8704360

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BY THE BOARD:

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The estimated initial tipping fee pursuant to the Pen Pac contract is $65.98. The Board is persuaded that the public interest and the ratepayers of Passaic County will be served well by the approval of the contracts. The Board is aware that a tipping fee in the $65.00 range compares very favorably to other transfer station tipping fees that have been proposed for various northern New Jersey counties.

The legal criteria that must be met in the Board's consideration of the approval of these contracts are set forth in *In re Application of Saddle River*, 71 N.J. 14 (1976). The gravamen of the holding of that case is that if the Board is satisfied that the contract rate has been determined through the competitive interactions of the market place that the Board may accept and approve the contract in lieu of tariff. In accepting the contract as the tariff rate, the Board is not bound to determine rate base and rate of return.

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The petitioning Authority has demonstrated to the Board's satisfaction through competent evidence that Pen Pac and Chambers contracts were arrived at through competitive negotiations in the open market place and the Board will therefore,

ACCEPT AND APPROVE the contracts to govern as the lawful tariff rate.

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DATED:
October 26, 1987.

BOARD OF PUBLIC UTILITIES
BY:

s/s George H. Barbour
GEORGE H. BARBOUR
COMMISSIONER

s/s Robert N. Guido
ROBERT N. GUIDO
COMMISSIONER

President Barbara A. Curran voted against this application.

s/s Barbara A. Curran
BARBARA A. CURRAN
PRESIDENT

ATTEST:

Ida Marie Englehardt
IDA MARIE ENGLEHARDT
ACTING SECRETARY